



## Outline

- Storm Water Service
- Background
  - Before 2013
  - UARB Decision
- HRM Levy in 2014 and 2015 (Halifax Water Collects)
- Revised HRM levy in 2016 (HRM Tax)
- Council Request
  - Unintended Consequences
  - Options
  - Considerations
  - Recommendation

## Storm Water Service

- Stormwater is precipitation from rain, snow and weather events
- In developed areas water often can't run off into streams or soil because of pavement, concrete, hard-packed gravel.
  - Leads to flooding and pollution of water courses
- Hence, municipalities use drains, curbs, stormwater pipes and ditches.

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3

## Background – Before 2013

- Before 2007, HRM provided the ditches and stormwater pipes. It was paid for by a user fee on the water bill, collected by Halifax Water (HW), and paid to HRM.
  - No property tax is involved.
  - Those not on piped water did not pay the fee, even though they had storm water services.
- In 2007, HRM transferred stormwater (and sanitary) services to Halifax Water.
  - Halifax Water continued with the user fee.
  - The NS Utility and Review Board (NSUARB) began regulation of stormwater services and fees.

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4

## Background – UARB Decision

- In 2013, HW replaces the fees with a “site generated flow charge” including residents not on piped water.
  - NSUARB orders HRM to pay for water that flows off roads and into the pipes and ditches (\$3.9m).
- To pay the \$3.9m, in 2014, Council levies a new fee of \$39. Asks Halifax Water to collect on the same basis as the site generated flow charge. (Fee increases to \$41 in 2015.)
  - There are now two stormwater fees on the water bill, one for HW (site generated flow) and one for HRM (for payment to HW).

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5

## The HRM Levy in 2014 & 2015

(Halifax Water Collects)

- Annual levy of \$40\* for those who pay the HW Charge. A single charge per property using HW definitions and collected by HW.
- The levy **is tied** directly to stormwater service. Those properties that benefit (as defined by HW) pay the charge. Otherwise, properties are exempted.
- Examples:
  - Each condo building = \$40
  - Each apartment building = \$40
  - Each mobile home park = \$40
  - Each single family home = \$40
  - Vacant land = \$40

\* 2-year average

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6

## The HRM Levy in 2014 & 2015 Condos, Apartments and Mobile Homes

- The \$40 tax is charged once per property, even where there are multiple owners:
  - **Condo Building** (10 Units) pay \$40 total
    - Average of \$4 for each home
    - (80% of Condos are Multi-unit properties)
  - **Apartment** (10 units) owner pays \$40 total
    - Average of \$4 for each home (included in rent)
  - **Mobile Home Park** (10 units) owner pays \$40 total
    - Average of \$4 for each home (included in rent)

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7

## The revised HRM Levy in 2016 (HRM Tax)

- Levy of \$42 (in 2016) for each property account. To be collected by HRM on the property tax bill.
- The levy is **NOT tied** to stormwater service. All properties are to pay including those exempted from the HW charge.
  - Under Provincial law each legally separate property is subject to property tax, regardless of its size or use.
- Examples:
  - Each condo building = \$42 per each condo unit
  - Each apartment building = \$42
  - Each single family home = \$42
  - Each Mobile home park = \$42 per each mobile home
  - Vacant land = \$42

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8

## The revised HRM Levy in 2016 Condos, Apartments and Mobile Homes

- The \$42 tax is charged once per account, even when one owner has multiple accounts:
  - **Condo Building** (10 Units) pay \$420 total
    - Average of \$42 for each home plus \$42 for any parking lot or storage accounts
    - (82% of Condos are multi-unit properties)
  - **Apartment** (10 units) owner pays \$42 total
    - Average of \$4.20 for each home (included in rent)
  - **Mobile Home Park** (10 units+Owner) pays \$462 total
    - Average of \$46.20 for each home (\$4.20 included in rent)

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9

## Council Request

- **Review Charges for**
  - **Condos**
    - Owners had to pay for each separate account including deeded parking spots and storage space (826)
  - **Mobile Home Parks**
    - Owners of Park and Home each had to pay (2,898)
  - **Undevelopable Lots**
    - No change in how they paid (unless exempt)
  - **Previously Exempt Accounts**
    - 4,400 accounts

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10

## Unintended Consequences

- Storm Water Levy passed and administered as required by *Halifax Charter*. Halifax Charter does not allow for taxes to be rebated when they were legally levied.
- Section 97 allow for residential taxes to be reduced under limited circumstances.
- Using Section 97 could remove current double taxes on most
  - mobile homes in mobile home parks
  - Separately deeded condo parking and storage spaces

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11

## Options for 2017-2018

- Consider the Payment to be part of the Road Service and levy similar to road costs:
  - Include in **General Tax Rate**
  - Include in **Urban/Suburban Tax Rate**
- Consider the payment to be part of stormwater service:
  - Ask Halifax Water to again include on **HW bill using its definitions of site generated flow.**

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12

## Considerations – HW Bill

- All storm water charges would be on the HW bill using site-generated flow definitions.
- **Advantages:**
  - Residents could see the total charges in one place;
  - Resolves most of Councils request around Condos, Mobile Homes and previously exempt properties; and,
  - Administratively simple;
- **Disadvantages:**
  - Rate application is before NSUARB to change the site generated flow charge. Final UARB decision should be examined before approaching HW.

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13

## Considerations – Urban/Suburban Rate

- Charges are part of the cost of operating roads within the Core and can be included in Urban/Suburban Tax rate.
- **Advantages:**
  - Excludes rural areas without Stormwater service;
  - Condos and mobile homes will pay on assessment (not a flat rate) for all properties; and,
  - Administratively simple;
- **Disadvantages:**
  - Excludes 4,100 properties within stormwater service area plus others that use roads in the core;
  - Reintroduces a variation between rural and suburban general tax rate.

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14

## Recommendation – General Tax Rate

- Charges are part of the cost of operating roads within the Core and can be included in General Tax rate.
- **Advantages:**
  - Includes all properties within stormwater service area and those that use roads;
  - Condos and mobile homes will pay on assessment (not a flat rate) for all properties; and,
  - Administratively simple;
- **Disadvantages:**
  - Includes rural areas without municipal Stormwater service.

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15

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16